

(1) Give notice of the appointment to any officer or employee who is present in and appears to be in charge at the principal office of the savings association as determined by OTS.

(2) Serve a copy of the order for the appointment upon the savings association or upon the conservator by:

(i) Leaving a certified copy of the order of appointment at the principal office of the savings association as determined by OTS; or

(ii) Handing a certified copy of the order of appointment to the previous conservator of the savings association, or to the officer or employee of the savings association, or to the previous conservator who is present in and appears to be in charge at the principal office of the savings association as determined by OTS.

(3) File with the Secretary of OTS a statement that includes the date and time that notice of the appointment was given and service of the order of appointment was made.

(b) If the Director of OTS appoints a conservator or receiver under this part, OTS will immediately file a notice of the appointment for publication in the FEDERAL REGISTER.

[73 FR 18, Jan. 2, 2008]

## PART 559—SUBORDINATE ORGANIZATIONS

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AUTHORITY: 12 U.S.C. 1462, 1462a, 1463, 1464, 1828.

SOURCE: 61 FR 66571, Dec. 18, 1996, unless otherwise noted.

### § 559.1 What does this part cover?

(a) OTS is issuing this part 559 pursuant to its general rulemaking and supervisory authority under the Home Owners' Loan Act, 12 U.S.C. 1462 *et seq.*, and its specific authority under section 18(m) of the Federal Deposit Insurance Act, 12 U.S.C. 1828(m). Subpart A of this part 559 applies to subordinate organizations of federal savings associations. Subpart B of this part applies to subordinate organizations of all savings associations. OTS may, at any time, limit a savings association's investment in any of these entities, or may limit or refuse to permit any activities of any of these entities for supervisory, legal, or safety and soundness reasons.

(b) Notices under this part are applications for purposes of statutory and regulatory references to "applications." Any conditions that OTS imposes in approving any application are enforceable as a condition imposed in writing by the OTS in connection with the granting of a request by a savings association within the meaning of 12 U.S.C. 1818(b) or 1818(i).

### § 559.2 Definitions.

For purposes of this part:

*Control* has the same meaning as in part 574 of this chapter.

*GAAP-consolidated subsidiary* means an entity in which a savings association has a direct or indirect ownership interest and whose assets are consolidated with those of the savings association for purposes of reporting under Generally Accepted Accounting Principles (GAAP). Generally, these are entities in which a savings association has a majority ownership interest.

*Lower-tier entity* includes any company in which an operating subsidiary or a service corporation has a direct or indirect ownership interest.